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May 30, 2007

BY HAND-DELIVERY

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
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RECEIVED MAY 30 2007

Re: Ex Parte No. 656 —Motor Carrier Bureaus—
Periodic Review Proceeding

Dear Secretary Williams:

Please find enclosed for filing in the above-captioned proceeding an original and ten (10) copies of Petition of Allied Van Lines, Inc., North American Van Lines, Inc., and Global Van Lines, Inc , for Modification of Effective Date of Decision Served May 7, 2007.

Please date-stamp the enclosed extra copy of the Petition and return it to our representative for our files. Thank you for your assistance.

Sincerely yours,

Robert M. Jenkins III

Enclosures

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BEFORE
THE SURFACE TRANSPORTATION BOARD

EX PARTE NO. 656

MOTOR CARRIER BUREAUS—
PERIODIC REVIEW PROCEEDING

PETITION OF ALLIED VAN LINES, INC.,
NORTH AMERICAN VAN LINES, INC., AND
GLOBAL VAN LINES, INC., FOR MODIFICATION
OF EFFECTIVE DATE OF DECISION SERVED MAY 7, 2007

By Decision served May 7, 2007, the Board in this proceeding terminated approval of the agreements under which 11 motor carrier rate bureaus, including the Household Goods Carriers Bureau Committee ("HGCBC"), have long been permitted to set tariffs collectively. The Board set an effective date for the Decision of September 4, 2007. HGCBC on May 30, 2007, filed a petition with the Board requesting that the Board modify and extend the effective date of the Decision to October 4, 2008. Allied Van Lines, Inc., North American Van Lines, Inc , and Global Van Lines, Inc. (hereafter "Petitioners") are affiliated companies that are participants in HGCBC and together account for approximately 23% of household goods traffic in this country. Petitioners support HGCBC's request for an extension of the effective date of the Board's Decision to October 4, 2008 Petitioners are filing herewith their own petition for modification, pursuant to 49 C.F R. § 1115.5, because they believe it is critical for the Board to understand why a substantial extension of the effective date is necessary for household good carriers to make an orderly and effective transition to the independent tariff regime compelled by the Board's Decision.

As the Board knows, the elimination of antitrust immunity for collective tariffs will not eliminate the legal requirement that interstate household goods carriers publish tariffs. Unlike most regulated interstate motor carriers, household goods carriers must continue to "maintain rates and related rules and practices in a published tariff." 49 U.S.C. § 13702(c)(1). The reasonableness of any "rate, classification, rule, or practice" in that tariff is subject to challenge before the Board. 49 U.S.C §§ 13701(a) and (b) and 13710(a)(2) Furthermore, that tariff must comply with extensive consumer protection regulations for interstate household goods movements promulgated by the Federal Motor Carrier Safety Administration ("FMCSA"). 49 C F.R. Part 375.

As set forth in HGCBC's May 30 petition, over 2,000 household goods carriers, including Petitioners, rely on a series of different HGCBC tariffs to meet their obligations to publish rates, classifications, rules, and practices that conform with both the Board's and FMCSA's standards. Petitioners and other household goods carriers have relied heavily not only on the time-tested efficacy of the tariffs themselves, but also on the expertise and institutional memory of the HGCBC staff to assist Petitioners with interpretation and compliance issues. Replacing the HGCBC tariffs with individually published tariffs for each carrier requires a careful evaluation of the legal and practical consequences of each rate, classification, rule, and practice adopted by the carrier. Without the benefit of an expert HGCBC staff, Petitioners will need to perform their own evaluations of the best ways to set rates, establish classifications, determine mileages, charge for special services, and otherwise meet their common carrier and commercial obligations. They will also need to establish their own publication methods and ensure that those methods conform to the applicable legal requirements. Additionally, they will not be able to rely on HGCBC training programs and training materials to educate their personnel about either the content or the consequences of their tariff choices.

All of this will take significant time to do properly, and ideally FMCSA staff would be involved in the process because they are responsible for ensuring that carriers' tariffs conform with the statutory tariff publication requirements. See 49 C.F.R. Part 1310. FMCSA, however, is very short-staffed and will likely be overwhelmed not only with requests for guidance regarding the adequacy of the individual tariffs adopted by household goods carriers but also with audits of carriers to determine whether they have published tariffs in place at all.

From a business standpoint the transition to individual published tariffs will also require Petitioners to review their contracts with companies covering the transportation of household goods for those companies' employees and their families. Petitioners have several thousand such contracts in effect incorporating by reference the HGCBC tariffs. If the tariffs are no longer maintained, Petitioners will have to review each and every one of their contracts to determine how they may be amended or renegotiated to incorporate their individual tariffs, once they are established, or otherwise to meet their contractual obligations to their corporate customers This will be a substantial endeavor, since it will require consultation with each of those corporate customers.

It is not just corporate contract customers that will be affected. Consultation with the General Services Administration and the DOD Surface Deployment and Distribution Command will also be necessary, since civilian and military government personnel household goods are transported pursuant to rates and charges established in HGCBC Tariffs 400-N and 415-G. Petitioners do not know what approach GSA and DOD will wish to take to address the need to substitute a different price and service regimen for that currently used, but there is no doubt that the process of consultation and revision of the Federal Government's contract regimen will take considerable time after Petitioners have resolved how to set their own individual tariffs.

The compensation provisions of Petitioners' leases with owner-operators and contracts with agents may also be affected by a change in the tariffs used to determine the revenues from a shipment. All of those leases and contracts will also have to be reviewed and, if necessary, amended or renegotiated. By the same token, Petitioners' systems for estimating and accounting for transportation charges and special services will have to be revised to account for changes that result from their independent tariffs. This will require changes to sophisticated computer software and training manuals. Hard-copy shipping documents such as bills of lading and other forms used to move goods form origin to destination and provide records for purposes of billing and collection will also need to be altered to reflect Petitioners' individual tariffs.

On top of everything else, the period from mid-May to mid-September is far and away the busiest time of the year for Petitioners and other household goods carriers. Petitioners perform 44% of their moving services in this four-month period, which coincides with the time period that the Board has given the carriers to make the arduous tariff transition described above Attempting to complete this enormous task during this particular time period would be especially difficult and would almost certainly lead to problems that could be avoided with the kind of careful and deliberate transition that would be possible with an extension of the effective date of the Board's Decision to October 4, 2008

The household goods carrier industry and its customers have relied on collective tariffs for over half a century. Consistent with the importance of the matter, the Board had its Decision here under advisement for two and one-half years. Extending the effective date of this pivotal Decision for a year, as requested by HGCBC, would provide the minimum time necessary for carriers like Petitioners to establish independent tariffs, rules, and classifications, to establish training and compliance programs and procedures, to revise their estimating, accounting, and billing software and shipping documents, to consult with their corporate and government customers and their van line agents and the owner-operators of equipment under contract with those agents, and to make the necessary changes to the agency contracts and to allow time for the van line agents to make the changes to the agreements they have with the owner-operators.

Accordingly, for the foregoing reasons, Petitioners Allied Van Lines, Inc., North American Van Lines, Inc., and Global Van Lines, Inc., request that the Board extend the effective date of its May 7 Decision from September 4, 2007, to October 4, 2008.

Dated: May 30, 2007

Respectfully submitted,

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